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Jury Refusal

No Indictment In Hughes Case

Las Vegas

A federal grand jury refused yesterday to vote an indictment that was specially drawn by Department of Justice officials in Washington with the intention of excluding Howard R. Hughes, the reclusive industrialist, from a list of defendants.

The local U.S. attorney, who had objected to leaving Hughes off the indictment, was not allowed by his superiors to present the re-drawn charges to the grand jury.

While the language of the indictment was not known, its general purPose was to supplant one voted last December 31 and subsequently dismissed by a judge as having been faultily executed.

Hughes and a group of his employees and associates were all named as co-conspirators in the earlier indictment. The indictment turned down yesterday was offered to the same grand jury.

U.S. Attorney V. DeVoe Heaton would not say whether further consideration would be given again today when time for such consideration expires.

A spokesman for the Department of Justice said in Washington that the department would make no comment until the matter is resolved. The spokesman hinted that further evidence would be presented to the Grand Jury today.

It was not known who were listed on the indictment the jury rejected yesterday. Last year's list, in addition to Hughes, included Robert A. Maheu, once manager of the Hughes properties in Nevada, now no longer connected with Hughes; Chester C. Davis, chief counsel of the Summa Corp., the Hughes holding company, David B. Charney, a film producer and long-time friend of Hughes and Hughes' real estate expert Hubert Nall.

The earlier indictment had charged the five with having conspired to beat down the price of Air West airline stock before Hughes bought the company, and with having coerced reluctant directors of the airline to agree to the sale.

The earlier indictment came after an investigation by the staff of the Securities and Exchange Commission into the Air West purchases, and resulted from complaints by stockholders who felt they had been cheated.

Over the last week, it has become known in Washington that the Justice Department and Heaton were at loggerheads over the reindictment of Hughes. Last week informed sources there said Heaton had been removed from handling the case, which was then turned over to a member of his staff, Dean Vernon.

Yesterday, while the grand jury met with Vernon, Heaton was in his office working on other matters.

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